

**GUIDANCE**  
**ON**  
**SCREENING PARTNERSHIP**  
**PROGRAM**



**Transportation  
Security  
Administration**

**June 2004**

## EXECUTIVE SUMMARY

In accordance with The Aviation and Transportation Security Act (ATSA) (P.L. 107-71), Section 49 U.S.C. § 44920, the Transportation Security Administration (TSA) is actively developing the Screening Partnership Program (also referred to as the Private Security Screening Program or Opt Out) and plans to be ready to accept applications from airport operators seeking to opt out on November 19, 2004.

TSA is developing the Screening Partnership Program (SPP) based on operational experience with the current Pilot program, also created by ATSA (49 U.S.C. 44919) and otherwise known as the PP5 program, key lessons learned and program improvements from evaluation studies, input from internal subject matter experts, such as TSA's Federal Security Directors (FSDs) and views of external stakeholders.

TSA is committed to developing a fair, balanced program that does the following (no ranking of importance implied by order):

- Meets ATSA standards
- Ensures security
- Seeks to establish a strong public / private partnership
- Provides significant opportunity for innovation, efficiency and cost savings to the taxpayer
- Provides decentralized management
- Incorporates best practices and lessons learned from recent studies of the Pilot program, and continues to evaluate and learn on an on-going basis
- Is performance-based
- Does not restrict airport participation
- Respects federal and private sector workforces.

In an effort to provide airport operators and the aviation community with information to gauge their interest in applying to the program, TSA has prepared the following guidance. This guidance is not intended to answer every question associated with Opt Out. For instance, detailed acquisition plans and operational transition plans are still being developed. This document contains information on the following:

### 1) Legislative Requirements

### 2) Program Planning Approach

- Operate: Pilot program
- Evaluate: Independent evaluation
- Innovate: Program improvements

### 3) Guidance on Key Issues

- Program Structure
  - Program Resources / Funding
  - Labor Issues

- Overview of the application and award
- Operations
  - Role of the Airport Director
  - Role of the TSA
  - Role of the Federal Security Director
  - Role of the private contractor
  - Role of the Contracting Officer's Representative
  - Program flexibilities and program constraints
- Overview of evaluation and performance measurement
- Timeline
- Differences between Screening Partnership Program and pre-911 contract screening

## I. LEGISLATIVE REQUIREMENTS

The Aviation and Transportation Security Act (ATSA) (P.L. 107-71) requires that TSA manage all passenger and baggage security screening at the nation's commercial airports. Congress also required TSA to:

- Launch a Pilot program utilizing private screeners at up to five airports
- Prepare for an "Opt Out" program to begin in November 2004 in which airports could apply to have private contractor screeners.

### Private Partner Screening Program

Section 49 U.S.C. § 44920 (ATSA §108) states that TSA shall allow an airport operator to submit an application to have screening carried out by the screening personnel of a qualified private screening company.

It provides Congressional direction on some of the standards and guidelines for the Screening Partnership program, which may take effect on or after November 19, 2004. Specifically, the Administrator of TSA may permit an airport to institute the use of private screeners for passenger and checked baggage screening provided that the level of screening services and protection is equal to or greater than that provided by Federal Government personnel and that the screening is provided by companies owned and controlled by U.S. citizens, to the extent such companies exist. Section 44920 provides:

#### ***'Sec. 44920. Private Security Screening Program ("Opt Out")***

*'(a) IN GENERAL- On or after the last day of the 2-year period beginning on the date on which the Under Secretary transmits to Congress the certification required by section 110(c) of the Aviation and Transportation Security Act, an operator of an airport may submit to the Under Secretary an application to have the screening of passengers and property at the airport under section 44901 to be carried out by the screening personnel of a qualified private screening company under a contract entered into with the Under Secretary.*

*`(b) APPROVAL OF APPLICATIONS- The Under Secretary may approve any application submitted under subsection (a).*

*`(c) QUALIFIED PRIVATE SCREENING COMPANY- A private screening company is qualified to provide screening services at an airport under this section if the company will only employ individuals to provide such services who meet all the requirements of this chapter applicable to Federal Government personnel who perform screening services at airports under this chapter and will provide compensation and other benefits to such individuals that are not less than the level of compensation and other benefits provided to such Federal Government personnel in accordance with this chapter.*

*`(d) STANDARDS FOR PRIVATE SCREENING COMPANIES- The Under Secretary may enter into a contract with a private screening company to provide screening at an airport under this section only if the Under Secretary determines and certifies to Congress that--*

*` (1) the level of screening services and protection provided at the airport under the contract will be equal to or greater than the level that would be provided at the airport by Federal Government personnel under this chapter; and*

*` (2) the private screening company is owned and controlled by a citizen of the United States, to the extent that the Under Secretary determines that there are private screening companies owned and controlled by such citizens.*

*`(e) SUPERVISION OF SCREENED PERSONNEL- The Under Secretary shall provide Federal Government supervisors to oversee all screening at each airport at which screening services are provided under this section and provide Federal Government law enforcement officers at the airport pursuant to this chapter.*

*`(f) TERMINATION OF CONTRACTS- The Under Secretary may terminate any contract entered into with a private screening company to provide screening services at an airport under this section if the Under Secretary finds that the company has failed repeatedly to comply with any standard, regulation, directive, order, law, or contract applicable to the hiring or training of personnel to provide such services or to the provision of screening at the airport.'*

*(b) CLERICAL AMENDMENT- The analysis for such subchapter is amended by adding after the item relating to section 44918 the following:*

*`44919. Security screening Pilot program.*

*`44920. Security screening Opt Out program.'*

## **II. PROGRAM PLANNING APPROACH**

### **Introduction**

TSA's guidance and planning for the Screening Partnership program is based in large part on operational experience with contract screeners under the current contract screening Pilot program (otherwise known as PP5) and an independent evaluation of the PP5 Pilot program.

TSA established a Pilot program where security screening is carried out by “the screening personnel of a qualified private screening company” (pursuant to 49 U.S.C. §44919, Security Screening Pilot Program).

TSA recognized that the PP5 pilot program would permit the agency to examine and learn from the administration of contract screening services at the PP5 airports, and that it could serve as a basis for a Screening Partnership program. With this in mind, TSA established the following general approach:

- 1) Operate
- 2) Evaluate
- 3) Innovate

TSA anticipates making continuous improvements as the agency and its airport partners gain operational experience from an implemented Screening Partnership program. Policies and decisions made at the beginning of the program will be reviewed and, if necessary, revised to incorporate lessons learned, improvements, and innovations.

#### **Operate: Pilot Program with Private Contractor Screeners**

As mentioned above, TSA has gained experience in administering a program using private contractor screeners overseen by Federal Government supervisors through its PP5 program. The PP5 program was designed to determine whether private contract screening companies operating under government oversight and controls could provide passenger screening performance at levels equal to or greater than federal screeners.

ATSA stipulated that up to five airports could be selected to participate, one from each airport risk category, and that the program would begin on November 19, 2002.

TSA selected five airports to participate in the program in June 2002. On October 10, 2002, TSA awarded contracts for private contract screening in the following airports to the contractors listed:

- San Francisco, Category X, Covenant Aviation Security
- Kansas City International, Category 1, ITS Aviation Services (now FirstLine Transportation Security)
- Greater Rochester International, Category II, McNeil Technologies
- Jackson Hole Airport, Category III, Jackson Hole Airport Board
- Tupelo Airport, Category IV, Covenant Aviation Security

The PP5 Pilot program began at the five airports on November 19, 2002 and has been in continuous operation since that time. During this time, TSA has planned, procured, deployed and provided oversight of the private contract screening services. The Pilot program provides a base of operational understanding and lessons learned that will be built upon by the Screening Partnership Program.

## **Evaluate: Independent Evaluation of Pilot Program**

TSA hired independent evaluators, BearingPoint and Abt Associates, with expertise in statistical analysis and program evaluation to conduct an objective performance evaluation of PP5. The evaluation provides important data and lessons learned that will help determine the most appropriate structure for the Screening Partnership program.

The primary goals of the evaluation were to:

- Ensure security goals were met
- Provide a comprehensive performance evaluation across security, cost and customer / stakeholder satisfaction
- Identify program improvement ideas for incorporation into the program.

The BearingPoint/Abt evaluation measured performance in the three following general categories:

- Security effectiveness: In quantifying security effectiveness comparisons, the independent evaluation team used four criteria to measure screener effectiveness: (1) Screeners performance in covert testing conducting by TSA, DHS, and the General Accounting Office, (2) Screener response to images displayed by the Threat Imaging Projection System, (3) Screener use of secondary searches to assess the effectiveness of initial searches at some airports, and (4) Screener performance on a subset of re-certification tests.
- Cost: In conducting cost comparisons, the evaluation team determined how much TSA spent for screening operations at each of the five pilot airports (which included not only contract payments but also costs borne by TSA) and compared the results with estimates of how much TSA would have spent had it actually conducted the screening operations at those airports.
- Customer service and stakeholder impact: The evaluation team compared survey data on passengers' expressed satisfaction with screening operations, complaints and compliments actually submitted by passengers, and passenger wait times.

The independent evaluation found that the performance of the PP5 airport contract screeners, as structured under TSA's Pilot program, is comparable to federal airport screeners. Specifically, the report's findings in the three critical areas are as follows:

- Security Effectiveness: There is no evidence that any of the PP5 airports performed below the level of Federal airports.
- Cost: Costs at the five airports were not different in any statistically significant manner from the estimated cost of federally-conducted security operations at that same airport.
- Customer service and stakeholder impact: Data indicated that customer satisfaction at the Category X and I airports was mixed. For the other airports, there was insufficient data to draw any conclusions. However, a qualitative survey of stakeholders revealed no significant difference between privately and federally screened airports.

It is TSA's position that the report confirms that TSA has been successful in administering the PP5 program and in overseeing security operations at the five participating airports. Based on these results, there is no reason not to proceed with the Private Partner Screening program.

### **Innovate: Program Improvements**

In addition to the evaluation findings, TSA asked BearingPoint to identify ideas for possible program improvements in the Pilot program. BearingPoint identified several program improvement ideas. The main program improvement initiatives are:

- Increase decentralization and local empowerment across airports, particularly in the areas of assessment and screener technical training
- Establish the portability of screener certification so that private contract screeners and federal screeners can perform security screening at local federal and Opt Out airports per FSD discretion and oversight
- Improve communications and the documentation of program policies
- Clarify the roles and responsibilities of the TSA, FSD, airport director and private contractor
- Improve performance measurement: work toward service level agreements and performance measures with more specific targets
- Examine contracting approach: analyze means of improving contract incentives by linking them to more specific performance goals and targets.

Some of the core improvement ideas, such as the need for local empowerment and decentralization of the recruiting, assessment, hiring and training local empowerment are consistent with recent GAO and DHS Inspector General recommendations from Congressional testimony. Other ideas merit further analysis; TSA is committed to analyzing these improvement ideas from the PP5 evaluation and implementing those which are sensible.

## **III. GUIDANCE ON KEY ISSUES OF THE SCREENING PARTNERSHIP PROGRAM**

The following sections are intended to provide guidance on key issues to help airport operators determine how interested they will be in applying to participate in the Screening Partnership program, applications for which will be accepted after November 19, 2004. This guidance is not intended to answer all questions and issues associated with the program. TSA recognizes that there are a significant number of operational issues requiring additional discussion and analysis. TSA will assess the feedback of interested parties in formulating more detailed guidance as we approach November.

### **Principles Guiding the Screening Partnership Program**

TSA has established major goals to guide the Screening Partnership Program:

1. Security is paramount: Contract screeners must perform at the same or better level as Federal screeners and comply with Federal passenger and baggage screening standard operating procedures, as set forth in ATSA. Security is a “non-negotiable” issue.
2. Customer service counts: While security is always TSA’s most important objective, ensuring a courteous, professional, and efficient process for passengers and other members of the aviation community is critical part of the Opt Out mission.
3. Costs should be competitive: TSA expects contractors in the Screening Partnership Program to provide screening services at a cost to TSA that is competitive with equivalent Federal operations.
4. Create a partnership that leverages strengths of the private and public sector: TSA seeks to marry the innovation and efficiency that the private sector may provide given established performance standards. TSA believes that the Screening Partnership program can only achieve its objectives if contract operators and TSA work in close partnership, leveraging private sector innovations and efficiencies with government security oversight.

To achieve these goals, TSA has identified several principles to guide its approach to the Screening Partnership program:

- Encourage cost efficiencies and innovations while maintaining standards: TSA believes firmly in the creativity and ingenuity of contract operators and will both expect and encourage innovations and cost savings from Screening Partnership program participants.
- Incorporate best practices, innovations and program improvements: TSA will leverage the key lessons learned from the current PP5 program and its evaluation following the principle of Operate/Evaluate/Innovate (as discussed above). TSA will build additional flexibilities, clarified structure, and improved communications into the Screening Partnership program.
- Be performance-based: TSA will work with Screening Partnership program participants to define, capture and analyze measurable, meaningful metrics that track performance against TSA’s three major goals for the program, as well as against standard principles of good management, reporting, and efficiency. TSA believes the Screening Partnership program provides possibilities for increased performance transparency and measurement.
- Respect the workforce: TSA believes that both Federal and contract screeners are valuable national assets and individuals who deserve effective support and respect, appropriate compensation and recognition for their work, and opportunities to excel. TSA will ensure that private screeners are held to the qualification and training standards of Federal screeners. TSA will also work with Screening Partnership program participants to ensure that the skills and experience of existing Federal screeners are recognized in a meaningful way, and that their needs and preferences are addressed to the greatest possible extent.



## **Program Structure**

### Program Resources / Funding

In terms of funding the Screening Partnership program (SPP), TSA's approach is to fund Opt Out screening operations from the same budget line item as federal screening operations. In this manner, federal screeners and contract screeners will be funded from the same pool of money. Providing program funding from a pooled fund provides flexibility on the number of airports that can participate in the program. TSA does not seek to limit participation, so a segmented program budget would be inappropriate.

Costs for contracts with companies providing screening services in SPP airports will be funded by the cost of the federal operations that are being displaced. TSA envisions that contracts will be let so as not to exceed the amount assumed for continued federal operations. Government furnished equipment and responsibility for maintenance and replacement of that equipment will be specified in the offering.

Costs for airports in the program will be determined by costs from federal operations in that airport and from activity-based cost studies. (TSA is conducting an activity-based cost study to estimate the fully burdened costs to run an airport; this information will help ensure that proposed costs by potential contractors are in line with federal estimates). Contract costs may be subject to modification depending on security alert status—e.g., elevation to threat level orange will likely impact costs on screening operations, be they federal or private.

TSA is contemplating additional options to the successful PP5 approach of TSA management of the screening budget and contractor through the local FSD, and looks forward to any input from the community on this matter.

### Collective Bargaining

Federal screeners are not entitled to engage in collective bargaining with TSA. TSA is neutral about contract employees of a private firm seeking to organize themselves for collective bargaining with that contractor.

Airport security screeners do not have the right to strike, regardless of whether they are employed by TSA, by a contractor, or by an airport authority under contract to TSA. Congress explicitly recognized that not all airport security screeners will be employed by TSA or another Federal agency, and wrote language in ATSA that prohibits the right to strike, regardless of their employer.

Under Section 111 of ATSA, adding provisions to 49 USC 44935, Congress specifically stated that "An individual that screens passengers or property, or both, at an airport under

this section may not participate in a strike, or assert the right to strike, against the person (including a governmental entity) employing such individual to perform such screening.”

### **Application Process**

ATSA directs TSA to receive airport notifications of their intent to Opt Out beginning November 19, 2004. Per ATSA, TSA will begin accepting applications to the program on November 19, 2004. TSA intends to close the notification period within a limited time, likely three weeks later on December 10, 2004. Therefore, for the first year, airport authorities have from November 19 to December 10 to notify TSA of their intent to participate in the program. TSA will re-open the Opt Out notification process for a similar window in November 2005.

TSA seeks to make the process simple and straightforward. Airports will be asked to provide information including:

- Name of the airport
- Airport three (3) digit identifier code
- Airport address
- Airport Authority / Operator
- Name of authorized individual submitting the petition
- Contact information of authorized individual
- Information in support of petition

ATSA does not identify specific criteria for the airport application. TSA is currently developing and reviewing potential specific criteria (to be provided at a later date), and will reserve the right to consider participation in the program in light of the airport’s record of compliance on security regulations and requirements.

TSA may consider factors such as peak travel season, proximity to other airports opting out, cost and TSA’s hub and spoke airport configuration to determine the participation and sequence of airports for transition from federal screeners to private screeners. Such factors will be of particular importance if several airports seek to participate in the program.

### **Acquisition/Contractor Selection Process**

TSA is actively considering the acquisition process that will be employed to select contractors for airports that participate in the Screening Partnership program. TSA has developed principles that it will adopt for the acquisition process, and is continuing work to finalize the specific details of its acquisition approach, such as contract structure, length etc.

Overall principles of TSA’s acquisition approach include:

- Consistency with ATSA: TSA contracts with private, American-owned companies
- Competition: Encourage competition in the award process as appropriate

- Performance-based: Implement performance-based contracting to include performance standards, quality assurance, and incentives as appropriate
- Innovation: Encourage innovation
- Flexibility: Flexibility to meet changed security needs—e.g., code orange costs
- Local control: Locally administered contracts with federal oversight.

TSA envisions the following main steps for the acquisition process:

#### 1) Release Request for Information (RFI)

TSA submitted a RFI to the aviation industry requesting input on acquisition issues, qualification criteria, and information contractors would need as part of a proposal process.

#### 2) Develop Qualified Vendor's List (QVL) to facilitate the acquisitions process

Airport operators and companies that meet ATSA and TSA requirements can be part of the qualified vendor list and may be considered to be the private contractor in an airport in the Screening Partnership program. TSA is interested in having organizations participate that have managed service capabilities and experience managing a work force as a core competency.

#### 3) Select the private contractor to provide screening services in airports selected for the Screening Partnership program.

TSA seeks to create local empowerment and a local partnership between the FSD and the airport authority; as such, TSA envisions both the FSD and the Airport Authority having important roles in the selection of the private contractor (*see Role of the Airport Director below*).

TSA is considering a range of alternatives for contractor selection, including a full and open competition among the Qualified Vendors for an airport that is authorized to participate in the program.

TSA anticipates providing airport-specific information to private companies seeking to contract under the program, in order that they may determine more accurately what it would cost to provide passenger and baggage screening services in an SPP airport. This information may, among other things, include:

- Overall responsibilities and screening functions for which the contractor will be responsible
- Local wage rates of federal screeners
- TSA's SOP requirements for staffing security checkpoint lanes
- Passenger flows from the airport
- Activity-based costing data

Contractors interested in submitting a proposal on a package of airports would be required to detail costing by airport as well as the ramping of scale savings in accord with the number of airport contracts awarded.

#### Management of Contractor

Under the PP5 program, TSA's FSD and the local Contracting Officer's Representative managed the contractor, in coordination with the local Airport Director. We generally expect a similar arrangement in the future, although alternatives will be considered.

### **Program Operations**

#### Role of the Airport Director

TSA views the Airport Directors as important local partners in the program. TSA welcomes their input and views, and their ideas for improvements in operations, cost efficiencies and customer satisfaction. TSA's FSD and the local Airport Director have many joint interests in a well-run program, and will encourage local partnerships.

Airport Operator roles may vary according to airport and TSA does not intend to speak for all airports and their operators' responsibilities, but overall this role is understood to be the planning, development, management, maintenance and promotion of Airport operations (excluding those related to security which fall under the purview of TSA's Federal Security Directors, see below). Airport Operators in the Screening Partnership program will continue to fulfill these roles.

For airports that are selected for participation in the Screening Partnership program, Airport Operators will also have the opportunity to assent to the following responsibilities:

#### 1) Participation in the selection of the private contractor company.

As indicated, TSA envisions both the FSD and the Airport Authority having important roles in the selection of the private contractor.

The activities of all participants in the selection process are subject to laws governing conflict of interest, financial disclosure, non-disclosure and federal procurement.

Non-governmental employees, such as Airport Directors, or their representatives, would be able to participate as advisors in the selection process, but their ability to actually vote on the selection of the private contractor is subject to U.S. laws. Federal procurement laws generally limit the level of participation of non-governmental actors in areas that are considered inherently governmental, such as the selection of contractors otherwise known as "source selection." That said, TSA will nevertheless determine optimal airport involvement within the limitations of Federal law.

## 2) Potential management of the contract screening company if the airport applies to be, and is selected as, the private contractor screening company

Airports are able to apply to be private contractor screening companies, as long as they meet the qualification criteria established by ATSA, federal law and the TSA. TSA is interested in encouraging cost and operational efficiencies. An airport operator that serves as the private contractor or a private contractor that has other roles at the same airport can utilize its personnel to perform non-screening activities subject to contractual and legal review. Sharing resources in such a fashion would neither be permitted to impair the ability of screeners to perform screening functions to the standards set by TSA, nor to meet training requirements. TSA would not pay for non-screener activities or worker's compensation for injuries during non-screener activities.

One possible scenario is a smaller Category 3 or Category 4 airport that has flight departures in the morning and arrivals in the afternoon, and few to no flights in the intervening hours. An Airport Authority that also served as the private screening company would be able to leverage its human resources in other capacities in the intervening hours.

### Role of the TSA

TSA's basic mission—to protect the nation's transportation systems and to ensure freedom of movement for people and commerce—will be consistent across all airports.

TSA's roles and responsibilities include, but are not necessarily limited to:

- Identifying and analyzing threats and vulnerabilities to the transportation system, and coordinating dissemination to the appropriate parties
- Establishing and enforcing common standards and regulations for screening and inspection—e.g., screener training standards
- Coordinating with partners and stakeholders
- Developing innovative uses of analytical and detection technologies to improve security
- Maintaining response preparedness for incident management
- Balancing the needs of security and customer service with minimal impact on commerce
- Determining Standard Operating Procedures (SOP) and security practices for screeners to follow and for FSDs to enforce, regardless of whether the screeners are private employees or federal employees
- Providing baseline checkpoint and baggage screening equipment and maintenance to include, but not necessarily be limited to x-ray machines, magnetometers, explosive trace detection.

It is important to maintain common policies in these areas to:

- Ensure a consistent customer experience across different airports, thereby increasing customer satisfaction
- Facilitate the movement of screeners between airports, thereby providing management flexibility and operational efficiencies.

TSA's role specific to airports that apply to participate and are accepted into the Private Screening program may include, but is not necessarily limited to:

- Determining which screening companies qualify for participation in the program
- Soliciting, awarding and administering the screener contracts
- Providing effective contract management and funding for contracts with private contractors
- Expediently reviewing proposals for innovation from contractors
- Considering implications for Private screening workforces of policy changes
- Communicating policies, standards and procedures with contractors
- Providing private contractors the flexibility to innovate
- Evaluating contractors' performance
- Making termination decisions as needed.

#### Role of the FSD

Per ATSA, TSA is to provide Federal Government supervisors at each airport at which screening services are provided. Supervision is ensured by TSA's Federal Security Directors (FSDs) who have overall responsibility for airport security. Serving under the direction of TSA's Administrator, FSDs provide a full range of aviation security services, including screening oversight, regulatory compliance and enforcement, and crisis / incident management, among others.

The FSD is charged with providing and coordinating a total security service offering at the airports and related facilities to which he or she is assigned. This service offering spans a number of functional areas and is supported by aviation security resources: Screeners, Regulatory Inspectors, and Law Enforcement Officers. It is the job of the FSD to integrate and coordinate these resources into a seamless security system.

The mission, mandate and fundamental role of the FSD remains constant regardless of whether the screening workforce is composed of federal or contract employees. The FSDs' primary responsibilities include:

- Direct Federal screening and inspection of passengers, property and cargo
- Conduct inspections and enforce security-related regulations and requirements
- Assess and counter threats to aviation: represent aviation security to local intelligence and law enforcement communities; use intelligence and law enforcement information to protect airports within their operational authority; consult with Federal, State, and local agencies and air carriers to identify threats, establish policies and procedures that prevent the entry of the threat onto an

aircraft, or take other appropriate action with respect to that threat; coordinate and implement security countermeasures; and supervise law enforcement activity that falls under purview of the TSA

- Develop, implement, exercise and conduct an Incident Management, Crisis Management, Incident Response and Crisis Response Program
- Interact with DHS partners to share resources and develop cooperative security enhancing strategies
- Exercise management authority with respect to personnel management and customer service in screening operations.

Whereas the key responsibilities of an FSD would not change whether an airport were to use federal or contract screeners, what would change is HOW the FSD executes his or her responsibilities in regard to personnel management, accountability and customer service.

With a federal work force, the FSD has direct supervision and control over the screening workforce and the implementation of administrative policies. With a contractor providing the workforce, the FSD has responsibility for overall security, but not direct control over the administration of the workforce. The FSD and TSA would look to the contractor to administer effectively and efficiently and provide innovations in this area.

Under the current PP5 program, FSDs and their staffs interact with on-site program contract managers for routine operations guidance and direction. In emergencies, situations where a security risk exists, FSDs and / or their staff directly and immediately intervene in program contractor operations at the checkpoint, gate, or baggage area.

FSDs at PP5 airports receive direction for routine aviation operations issues directly from the headquarters staff, in a manner similar to that of their counterparts at Federal operations. For operations issues unique to the PP5 airports, FSDs work with their program teams inside Aviation Operations headquarters.

In an airport with contract screeners, FSDs will continue to have staff under their direct supervision that allows them to effectively ensure security. The specific numbers and type of staff may vary between airports with federal screeners versus airports with contract screeners. For instance, an FSD in an SPP airport may have a designated individual as a COR on his or her staff, whereas a federal operation would not. TSA is reviewing the FSD staff levels to determine optimal levels and types of positions.

For airports that participate in the program, FSDs will also play a key role in the selection of a contractor. TSA envisions both the FSD and the Airport Authority having important roles in the selection of the private contractor subject to laws governing conflict of interest, financial disclosure, non-disclosure and federal procurement.

#### Role of the Contracting Officer's Representative (COR)

Assuming a selected airport uses the current PP5 airport approach, the technical aspects of each Private contractor screening contract will be managed locally by the FSD and

his/her COR. This structure allows for quick adjustments and corrections, as well as more immediate and precise feedback. While overall contract structure and funding arrangements will be managed by the HQ CO, CORs will track performance, manage budget, and in combination with the judgment of the CO, determine performance awards.

#### Role of the contractor in a SPP Airport

The contractor serves a critical role as a partner in an airport where its services are employed. The primary roles of the contractor may include, and are not necessarily limited to, the following:

- Recruit qualified, trained screeners to provide security screening functions in accordance with TSA's standardized security policies and procedures and with FSD direction
- Achieve a high performing screening and administrative workforce
- Ensure that the best possible people with the skills required are efficiently scheduled and on the job
- Respond effectively to FSD and COR direction
- Respond immediately to changes in the TSA security posture—e.g., elevation to Threat Level Orange
- Create and implement effective and innovative workforce management practices that retain and develop the workforce
- Manage administrative functions necessary for the effective support of the screener workforce
- Identify possible innovations in recruiting, assessing and training while meeting national standards. Propose innovations as appropriate in security procedures
- Provide effective cost management
- Take direction from the TSA, through the FSD and COR, to ensure a seamless security experience
- Seek to meet and exceed service level agreements on measures to be determined. These are likely to include, but not necessarily be limited to those identified in the following section, *Program Evaluation / Performance Measurement*.

The contractors will have flexibility in many areas, for example in areas such as recruitment, assessment, hiring and training, procurement, and scheduling. See *Program Flexibilities* below.

#### Program Flexibilities

TSA seeks to give private contractors a significant amount of operational control in the areas identified below, as long as it is ensured that security is maintained and standards are met. TSA is interested in encouraging decentralized flexibility to allow for innovation, greater efficiency, and process improvement.

Contractors will have significant discretion in operational and management decisions including, but not necessarily limited to, supervision, overhead, materials, recruiting, compliance, and scheduling.



Contractor operations will have greater flexibilities in the areas of assessment and screener technical training than previous PP5 operations, as well as retaining existing flexibilities around scheduling, recurrent training, and administrative functions. Likewise, Opt Out operations would have considerable flexibilities around customer service and efficiency improvements.

Contractor operations will need to meet the same screener qualification standards that TSA must meet with federal screeners, per ATSA. Security protocols and SOPs will continue to be maintained by TSA. These elements will continue to be held constant across federal and contract screening operations in order to ensure consistent and effective security.

Contractors will be expected to adhere to TSA direction on all matters of security. Input and recommendations on security matters from Opt Out contractors and Opt Out airports will be welcomed and reviewed by TSA. Contractors will still be required to meet ATSA standards, or standards set by TSA to ensure security.

The table below outlines the notional responsibilities and control for each of the operational elements.

| <b>Operational Element</b> | <b>Primary Responsibility in PP5</b> | <b>Primary Responsibility in Opt Out</b>                        |
|----------------------------|--------------------------------------|---|
| Recruiting                 | Contractor                           | Contractor  |
| Assessment                 | TSA                                  | TSA and contractor  |
| Training                   | TSA                                  | TSA and contractor  |
| Staffing Model             | TSA                                  | FSD and program office, subject to cost constraints of contract |
| SOPs                       | TSA                                  | TSA   |
| Compensation               | TSA                                  | Contractor (consistent with ATSA requirements)                  |
| Checkpoint Supervision     | TSA and contractor                   | TSA and contractor  |
| Scheduling                 | Contractor                           | Contractor  |
| Equipment                  | TSA                                  | TSA   |
| Materials                  | Optional                             | Contractor  |
| Management of workforce    | Contractor                           | Contractor  |
| Checkpoint Design          | TSA                                  | TSA   |
| Equipment Procurement      | TSA                                  | TSA   |
| Equipment Maintenance      | TSA                                  | TSA   |
| Checkpoint IT              | TSA                                  | TSA and contractor  |
| Management IT              | Contractor                           | Contractor  |
| Public Relations           | TSA                                  | TSA   |
| Stakeholder Relations      | TSA                                  | TSA   |
| Performance Evaluation     | TSA                                  | TSA and Airport   |
| Performance Measurement    | TSA                                  | TSA sets standards, Contractor implements                       |

TSA welcomes comments and suggested innovations within this conceptual split of responsibilities. Recently, contractors have implemented some innovative ideas that have improved operations and reduced operational costs that include:

- Covenant Aviation Services, the contractor for San Francisco International Airport (SFO), began using baggage handlers in lieu of baggage screeners to move bags in a non-screening capacity. Covenant's proposal offered a means to reduce costs without diminishing security. TSA approved its request and is monitoring its implementation to see if it can be duplicated at other airports.
- TSA approved new methodology in pre-assessment and recruiting practices at both San Francisco (SFO) and Kansas City (MCI).

TSA would welcome further innovations and ideas from contractors that participate in the program.

### **Program Evaluation / Performance Measurement**

Performance measurement will be an important part of the Screening Partnership program. TSA is in the process of developing a performance management approach for the Screening Partnership program that will measure program performance and contractor performance.

Adopting a performance management method is consistent with TSA's goal of being a performance-based organization—one that evaluates programs and makes decisions based on objective, credible data—and will help the Administrator meet ATSA's requirement to certify the level of screening. Section 108 of ATSA states that a contractor may manage screening at an airport if "the Administrator determines and certifies to Congress that the level of screening services and protection provided at the airport under the contract will be equal to or greater than the level that would be provided at the airport by Federal Government personnel."

Determining the appropriate balance of measures and setting the right baselines can be challenging. TSA recognizes that establishing baselines may take time, but our goal is to continually work toward a robust performance management process and system. Performance measures adopted will serve two related purposes:

- (1) Measure of program performance. TSA has already developed a performance measurement approach as required by the Government Performance and Results Act (GPRA). TSA will tailor this approach and collect data to assure that an acceptable level of screening performance is maintained, both by Federal and private screeners, to satisfy the ATSA certification requirement.
- (2) Measure of contractor performance. Measures will be incorporated into screening contracts to monitor performance, ensure accountability, and, in the case of certain contract types that may be

adopted, create incentives for efficiency and innovation. (TSA may award some, or all, contracts using a performance-based approach. For example, incentives will be part of the yearly budget, which is not to exceed the Federal funding availability to screen at the proposed airport. Details on contract type are still to be determined.)

TSA is considering several types of performance measures related to security effectiveness, customer service, and cost. Specific measures and baselines have not been finalized, but may include:

- Effectiveness in detecting prohibited items in carry-on and checked bags and on travelers' person through covert tests, Threat Image Projection system scores and screener recertification tests.
- Cost-efficiency (e.g., cost per passenger and bag screened), through overtime usage, attrition, on-the-job injury rates, and overhead rates.
- Customer satisfaction, through airport surveys, complaints and compliments made at airports, complaints and compliments made through the TSA Contact Center, passenger wait times, and passenger property claims.

Specific measures used are still under consideration by TSA, and will depend partially on the structure of screening contracts that are issued (TSA reserves the right to issue different types of contracts). Screening contractors can expect TSA to conduct a variety of performance measurement activities, some of which (e.g., covert tests) will be conducted by TSA and others (e.g., tracking complaints and compliments made at the airport) will be required of the contractor.

### **Differences between the Screening Partnership Program, and Pre-9/11 Contract Screening**

It is important to emphasize that screening under the PP5 program and the proposed Screening Partnership program is not a return to pre-9/11 screening. There are several significant differences:

- Minimum standards: Screeners, be they private contractors or federal employees, must comply with far stricter minimum standards established in the aftermath of the September 11 attacks. TSA demands that the private screening companies and their employees follow heightened security standards that were instituted throughout the Nation's airports following September 11<sup>th</sup> and the enactment of ATSA.
- Compensation: Consistent with the higher standards and training of the workforce, private screeners' compensation is higher than the remuneration and benefits provided to screeners by the airlines before September 11<sup>th</sup>.
- Direct responsibility for security vs. indirect regulatory oversight: The previous model involved pure privatization, with indirect Federal regulatory oversight by

the Federal Aviation Administration (FAA). In contrast, the PP5 Program and the proposed Screening Partnership program are a hybrid governmental/private model. Whereas FAA exercised indirect regulatory oversight over the airlines' security operations, TSA has direct operational authority over security activities at all of the nation's airports, including security activities conducted by private contractors and their employees at the PP5 airports or future SPP airports.

- Role of the FSD: Operationally, the relationship between the Federal government and the private contractors is vastly different from other contexts involving government contracting for services because of the role of the Federal Security Directors. Prior to 9/11, there were no FSDs. Their staffs currently interact directly with existing contract screeners in the performance of day-to-day operations, and would continue to do so under the SPP.

### **Probable Program Timeline**

TSA expects program implementation on the following approximate timeline:

- Airport Application Window: November 19, 2004 to December 10, 2004
- Private Screener Company Pre-Qualification: Fall / Winter 2004
- Selection of airports for Screening Partnership Program: December 2004 – February 2005
- Selection of private contractors for Opt Out airports: Beginning Spring 2005
- Transition to operations with private contractors: Dependent on response & contractor readiness; estimate later in 2005

### **Transition to the Screening Partnership Program**

TSA is developing a transition plan to effectively manage the potential shift to operations with private contractor partners. TSA's goal is to transition as efficiently and expeditiously as possible, maintaining security and minimizing any impact on customer service, while providing as considerate and well-managed a transition as possible for the affected workforce.

TSA will strive for a transition process that is fair, cost-effective and seamless. TSA believes that it is in everyone's best interest to leverage the current workforce, both from security (TSA has experienced screeners with training) and cost-effectiveness (assessing and training new screeners can entail significant costs) perspectives. TSA will seek and support provisions that assist current Federal screeners potentially affected by the transition to an Opt Out environment, including priority for employment with the private contractor and measures to facilitate movement to other TSA or other Federal positions.

### **Other Key Work Areas**

TSA has initiated planning to comply with ATSA's mandate of being able to accept airport applications on November 19, 2004, to review the applications and to transition those airports identified for the Screening Partnership program. The purpose of this

guidance was to provide initial information on key program parameters to help airports gauge their level of interest in the program. TSA has identified several other key work areas that are underway and will continue to release further guidance on the program as appropriate:

- Finalizing application process: TSA will finalize and publish a defined process for accepting airport notification of intent to participate in the program.
- Implementation of operational flexibilities such as decentralized assessment and training of screeners: Take the necessary steps to provide increased empowerment of FSDs and private contractors to conduct recruiting, assessment, and screener technical training at the local level while assuring that national standards are met and within parameters set by TSA.
- Finalization of acquisition process and contract vehicles: TSA has identified key principles for its acquisition approach. More specifics on the RFP structure, the contract type, award criteria, and the ability combine airports for strategic contract awards are being worked.
- Determination of performance measurements: TSA is in the process of developing a performance management basis for the program that will measure program and private contractor performance.
- Transition planning for airports that transition from using federal screeners to private screeners: Key elements of this work will include analyzing and organizing management, screening, and administrative functions through organizational design, and transition planning and management. TSA will need to consider the sequencing of transition; the impact on security, agency functions (both field and headquarters); costs and resources; continuity of operations; and ways to avoid or minimize an adverse impact on individuals. Transition management will be critical.